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C O N F I D E N T I A L SECTION 01 OF 02 HANOI 000060

SENSITIVE
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TAGS: [PGOV](#) [PREL](#) [ECON](#) [ETRD](#) [VM](#)
SUBJECT: FEW SURPRISES AT THE NINTH PARTY PLENUM

REF: A. 08 HANOI 1217
[B.](#) 08 HANOI 1298
[C.](#) HANOI 18
[D.](#) 08 HANOI 1399
[E.](#) 08 HANOI 1413

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Classified By: PolCouns Brian Aggeler. Reasons 1.4 (b/d)

[11.](#) (C) SUMMARY: Vietnam's Ninth Central Committee (CC) Plenum concluded without major personnel or policy changes. According to Party insiders, the primary focus of the midterm Plenum remained Vietnam's economic situation and plans for a stimulus package. In what some consider a nod to conservative elements in the Party, the head of the CC Propaganda and Education Commission, To Huy Rua, was elevated to the Politburo; VFM Pham Binh Minh was also named a full CC member. More significant was what did not happen: HCMC Party Chair Le Thanh Hai retained his seat on the Politburo, PCI-related embarrassments notwithstanding, and PM Nguyen Tan Dung's position appears secure. END SUMMARY.

Mid-Term Review, with a Focus on Economics

[12.](#) (C) Unlike the hastily convened Eighth Plenum (Ref. A), the CC's January 5-13 Plenum was long-scheduled and marked the mid-point between the CPV's Tenth and Eleventh Congresses. Like its predecessor, however, the major focus remained Vietnam's worsening economic situation. According to a senior member of the CPV External Relations Commission, Pham Tien Nhien, the CC recognized that the ambitious long-term growth targets set at the April 2006 Ninth Party Congress could no longer be met, and that even the scaled-down estimate of 6.5% growth in 2009 presented at the October/November National Assembly (ref B) was too optimistic. (Note: We understand that internal GVN estimates for 2009 growth are now as low as 4.2% End note.) Nhien said that ensuring economic growth and a stable macroeconomic environment were the main themes of the Plenum, points highlighted in Party Secretary Nong Duc Manh's concluding remarks January 13. According to Nhien, discussion largely followed PM Dung's recently unveiled five-point plan to combat the effects of the global economic downturn (ref C).

A New (if Hardly Fresh) Face on the Politburo

[13.](#) (C) The most significant personnel change was the elevation to the Politburo of CC Propaganda and Education Commission Chair To Huy Rua. Nhien and others in the Party

emphasized that Rua's selection was hardly surprising, given Rua's position on the CPV Secretariat. Nor was the timing particularly unusual: Rua simply filled an already authorized slot. (Note: The Tenth Party Congress indicated that the Politburo should have 15-17 members, but only elected 14. End note.) Still, some outside observers, including political dissident and former Party member Pham Hong Son (protect), expressed apprehension that Rua's ascension to the Politburo marks a further consolidation of the Party's more stringent approach to the media. Rua retains, at least for now, his concurrent position on the Secretariat, which is in charge of day-to-day management of high-level Party business. With two additional members -- Ngo Van Du and Ha Thi Khiem -- six of the Secretariat's eleven members are now also Politburo members.

¶4. (U) Bio note: Rua was born in 1947 in Thanh Hoa Province. He was named Chair of the Propaganda and Education Commission and given a place on the Secretariat at the Tenth Party Congress in 2006. Previously, Rua served as Director of the Ho Chi Minh National Political Academy and as Hai Phong Party Secretary. According to Tran Nguyen Tuyen, an official at the HCM Academy, Rua has visited the United States twice, once to participate in a Marxist studies seminar organized at the University of Minnesota. End note.

Pham Binh Minh a Full Member of the Central Committee

¶5. (C) VFM Pham Binh Minh, previously an alternate member of the CC, was made a full member. Other than DPM/FM Pham Gia Khiem, who sits on the Politburo, VFM Minh -- the son of prominent former FM Nguyen Co Thach -- is the only MFA official in the Central Committee. The dynamic Minh has

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often been mentioned as a possible successor to FM Khiem, and his elevation to full CC membership suggests his star continues to rise. (Comment: The MFA's professional diplomats advance more slowly than in other ministries and typically reach the level of VFM well past the age of 55, the limit for first-time CC members set at the Eighth Party Congress in 2001. Age restrictions aside, the fact that the MFA's permanent bureaucracy boasts only one CC member suggests a lack of clout within the Party nomenclatura. End comment.)

The Change that Didn't Happen

¶6. (C) Perhaps most striking was the fact that contrary to feverish speculation in December, HCMC Party Chair Le Thanh Hai not only retained his Politburo seat, but appeared to emerge from the Plenum unscathed. Contacts suggested that PM Dung, a fellow southerner, may have weighed in on Hai's behalf, wielding the argument that whatever the fallout from the PCI corruption scandal, it would have been unseemly for senior leadership to be removed in the face of foreign pressure.

Comment: PM Dung Appears Secure

¶7. (C) Early last year, runaway inflation and corruption appeared to significantly tarnish the image of Vietnam's active and genuinely popular Prime Minister. Even as late as last month, some speculated that PM Dung might not make it to the Eleventh Party Congress, let alone continue past 2011 (see, for example, the Japanese Ambassador's comments, ref. E). Vietnam's political tea leaves are notoriously difficult to read, but it seems to us that PM Dung's position may have actually been strengthened, for two reasons. First, the fact that Vietnam's economic slowdown is now firmly tied to the wider global downturn may have deflected blame for the country's macro-economic problems.

Second, among Vietnam's "troika," only PM Dung will be young enough to continue on the Politburo. (The cut-off age for first-time members of the Politburo is 65; the cut-off for members to serve a subsequent term is 67. Dung will be 62 in 2011, while Manh will be 71 and President Triet 69.) Among those who remain, only MPS Minister Le Hong Anh and the permanent head of the Secretariat, Truong Tan Sang, appear to have the stature -- and relative youth -- to challenge Dung. But it would be unusual for holders of either position to leapfrog past a standing Prime Minister. In our estimation, the status of first among equals in Vietnam's closed Party hierarchy remains Dung's to lose.

¶8. (U) This cable was coordinated with ConGen HCMC.
MICHALAK